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DEMAND AND SOCIO ECONOMIC ASPECKS OF UP-MARKET
CONDOMINIUM DWELLERS IN KUALA LUMPUR

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Abstract

In recent years, condominium living has gained popularity among Malaysians. Many Malaysians have invested in this development because of its product attributes. It has become the mode of living for the country's middle and upper class families. Condominium developments have mushroomed in all parts of cities in Malaysia particularly in Kuala Lumpur. The residents can enjoy the convenience of having the facilities at their doorstep, the abundance of greenery and open space.

Demand for up-market condominiums in Kuala Lumpur is not certain and so this is a main problem to the developers. The developers are in doubt about which factor and how much weight should be considered to come up with a condominium project. What are the real factors that influence the demand or what are the real factors that attract people to buy the condominiums? Besides this factor, who are the target groups because each ethnic group have different type of demand. Once these factors are known, it is easier for the developers to consider these factors before they proceed with the condominium development effectively and efficiently.

1.0 Statement Of The Problems

Due to the demand for up-market condominiums in Kuala Lumpur is not certain i.e the demand for property has been cyclic, it is very important for the developers and the buyers in the property market that there is a time to buy and a time to sell to be financially viable. It is very important especially for the small and medium developers to know what are the real factors that encourages people to buy. What are the relationship between demand and the socio-economic aspects of the ethnic group because demand may differ for these ethnic groups. All these factors are very important before the developers proceed with the condominium development to avoid the project from being abandoned.

2.0 The Methodology

Four major steps were undertaken to assess the factors influencing demand for the up-market condominiums. The first step was to identify relevant demand factors from the literature. The second step was to conduct a questionnaire survey to the people living in condominiums in the study area. This survey would provide specific and detailed information of the people in the study area and surface their concerns and opinions. The third step involved punching in data into the computer by using SPSS (Statistical Package For Social Science). Lastly, the data collected were analyzed and the results were presented.

3.0 Definition Of Condominium

Condominium is a Latin word meaning joint ownership or control. When applied to housing, it denotes individual ownership with unrestricted right of disposal of one or more units in a multi unit project, with land and all other parts of the project held in common with owners of other units.

According to Black's Law Dictionary, a condominium is a system of separate ownership of individual units in a multi-unit building. A single real property parcel with all the unit owners having a right in common to use the common elements with separate ownership confined to the individual units which are serially designated.

From the above statements, condominiums can be defined as a form of co-ownership over a multi-unit property where the owner-occupier has individual ownership of one unit but common ownership of the grounds and common areas with other unit owners. The purchaser of a condominium in other words receives a separate title deed for a specific unit and a pro-rated interest in the common property.

In Malaysia, there is hardly any distinguished definition between flat, apartment and condominium. In the layman point of view, condominium is the most high-priced between them. The additional attributes which distinguish condominium to flat and apartment are better facilities offered and well planned design to suit the taste of high income people. Nevertheless, at current scenario, the difficulties of differentiating between an apartment and condominium is exacerbated by better facilities added to typical apartment so that it can be called a condominium. With this perplexing definition, condominium hereinafter in this study is referred to as multi-unit residential development. The special facilities that can be found in most of the condominium are swimming pool and children's pool, gymnasium, 24 -hour security service, launderette service, jogging track, squash and tennis court, function room, poolside barbecue pit, and landscaped. Condominium living portrays a cosier, more prestigious and luxurious life-style with the incorporation of services, facilities and amenities enabling comfortable, enjoyable and convenient living.

From the literature review, condominium has its origin and chief utilisation in meeting the need for shelter in land scarce areas. It enables more intensive use of land resources. As such it lowers the cost of housing and gives home-ownership opportunity for more people in areas where land cost is high and this is especially true in United States of America and Australia.

The concept of condominium living in Kuala Lumpur, Malaysia is different from those in United States of America and Australia. Condominiums in Malaysia do not seem to perform this function of providing housing to those who cannot afford single-family houses. They cater mainly to the high income group as a form of luxurious and prestigious housing. A private driven phenomenon, the emphasis is on the creation of a gracious lifestyle manifested in the provision of recreational amenities and facilities amidst an enclosed environment of land scaped greenery. The preoccupation is also with the projection of an exclusive image targated at the elite market.

4.0 Condominium Development In Kuala Lumpur

Condominium living was introduced in Kuala Lumpur, the capital city of Malaysia in 1976. The first condominium project in Kuala Lumpur was Desa Kudalari located in Ampang area and was endorsed by the Government in the Fourth Malaysian Plan (1976 - 1980) as a measure to optimise land use and enhance the standard of living.

It is now more favoured as an alternative form of housing in the urban areas. Demand for condominium units have been good ever since the country recovered from the recession period (1984 - 1987). When the economy recovered, the offer of cheaper labour costs plus the inflow of foreign investments in the manufacturing sector has resulted in an influx of expatriates from Japan, Korea, Taiwan and Singapore, increased the demand for condominiums in Kuala Lumpur.

5.0 Supply Of Condominiums

The 1992, there was 11,727 units and the cumulative supply of condominiums in the market up to 1994 was 20,405 units. In 1992, condominiums consisted of about 4.2 per cent and 95.8 per cent was in other forms of housing (Refer Table 1). As a matter of rough comparison, Singapore is said to have 22,510 condominiums in 1992.

Table 1: Supply Of Condominium Units, Kuala Lumpur (1983 - 1995)

Year	No. Of Projects	No. Of Units	Area Sq. Metres
1983	5	782	81,698
1984	4	561	60,065
1985	9	1,240	204,638
1986	2	460	70,857
1987	6	1,143	175,975
1988	4	936	95,771
1989	4	682	64,248
1990	8	1,221	139,386
1991	16	3,358	367,851
1992	7	1,344	161,611
1993	26	5,003	565,000
1994	20	3,675	138,906
Total	125	20,405	-

Source: Bank Negara Malaysia (1993) And Own Analisis (1994).

6.0 Condominium Demand

Demand, as interpreted here, refers to demand for the purchase of condominiums by individuals or companies for purposes of either owner-occupation or investment. It excludes those projects which are wholly retained by the developers as investments since these cater exclusively to rental demand.

The demand for housing is generated by the following influences:

a. Overall population growth: present and future housing requirements arise out of the total population growth by way of net natural increase, immigration, family formation, size of households and changing age distribution.

Backed by a government policy of achieving a population target of 70 million by the year 2020 (Tracey Vincent, 1993), the annual average population growth rate for the country from 1980 to 1990 was 2.64 per cent which is high compared to the annual growth rate in the Asia-Pacific for the period 1985 to 1990 which is 1.8 per cent, and it is below replacement growth of some of the European countries. In mid 1993, the population of Malaysia was 19.05 million (Statistics Department, 1993). An increasing population means demand for more houses.

Household size in Kuala Lumpur is getting smaller i.e. in 1980 the household size is 4.87 and in 1991 it is 4.65. This shows that there is an increase in demand for condominium because in Kuala Lumpur, smaller families normally prefer to stay in condominium with all the facilities nearby.

Table 2 and 3 shows the population of Malaysia is young with the majority in the productive 15 to 64 year age band. The percentage has been stable from 1980 to 1993 between the range of 57 to 60 per cent. This increases the demand for houses.

Table 2: Population By Age Group.

State	Age Group					
	0 - 14		15 - 64		above 65	
	1980	1990	1980	1990	1980	1990
Kuala Lumpur	32.5%	33.2%	64.5%	63.6%	3.0%	3.2%
Malaysia	38.9%	36.2%	57.4%	59.8%	3.7%	4.0%

Source: Statistics Department (1992).

Table 3: Population By Age Group (As At Mid-Year), 1993.

State	Age Group					
	0 - 14		15 - 64		above 65	
Malaysia	1991	%	1991	%	1991	%
	6,658.3	37	10,808.9	59	713.7	4
	1992	%	1992	%	1992	%
	6,779.8	37	11,107.5	59	724.6	4
	1993	%	1993	%	1993	%
	6,912.7	36	11,375.5	60	758.8	4

Source: Statistics Department (1993).

b. **Urbanisation:** The potential demand becomes more apparent with population growth and also urbanisation. By 2020, Malaysia's population will reach 70 million people and this means that 45 million people living in urban areas i.e. an increase of 264 per cent. Due to this urbanisation, it attracts people coming to the cities. People prefer living in the cities because of a high paying jobs, quality of life and cultural events. This means there will be an increased in demand for housing (Refer Table 4).

Urban population growth can also relate to migration of people to Kuala Lumpur. Migration can be internal within the country, and external to and from other countries. Migration means increase or decrease in demand for housing. Urban population growth can also relate to migration of people to Kuala Lumpur. Those who can afford will stay in Kuala Lumpur while the unfortunate group will move to the neighbouring states. High income group of people prefer living in the urban area while the middle and low income group will stay in the suburb or on the fringe of the city.

Table 4: The Urban Population Growth Trend.

Year	Pop. ('000)	Urban	%
1970	10877	2719	25
1980	13764	2884	21
1990	18010	7744	43
2000f	22615	11353	50
2010f	27621	16645	60
2020f	33015	24403	74

Source: Malaysia Institute Economic Report (1991).

c. **Marriages:** new households created by marriage account for a major proportion of the demand for housing. On the other hand the termination of households by death, or divorce or separation are an offset.

In Malaysia, there is no statistics on marriages. Due to urbanisation and modernisation, there has been longer life expectancy, falling mortality and crude birth rate and deaths rates. These factors has increase the percentage of the aged or the older population, which an increasing proportion of whom find condominium living more convenient (Refer Table 5). This means that there will be an increase in demand for condominium because at this stage of life cycle, the children have usually left home and it is difficult and troublesome to maintain a large household. Besides that a rapid decline in total fertility rate shows that more people opt more easily for the convenience of condominium living (Refer Table 6).

Table 5: Selected Indicators On Health.

Indicator	1980	1985	1991	1992	1993
Life expectancy rates:					
Male	66.70	67.90	69.00	69.2	69.1
Female	71.60	73.00	73.7	73.9	73.8
Infant Mortality (per '000)	19.70	16.95	12.5	12.2	11.9
Crude Birth Rate (per '000)	30.90	31.70	28.10	28.2	28.7
Crude Death Rate (per '000)	5.30	5.00	4.6	4.6	4.5

Source: Sixth Malaysia Plan (1991) and Statistics Department (1993).

Table 6: Total Fertility Rate In Malaysia.

	Per '000				
Year	1980	1990	1991	1992	1993
Total Fertility Rate (Per Woman)	3.9	3.3	3.4	3.3	3.4

Source: Statistics Department (1993).

d. **Level Of Income:** income is an important factor. Higher incomes facilitate earlier marriages, and encourage upgrading of housing. Likewise lower incomes discourage early marriage, and could ultimately cause downgrading of housing. Affordability or the capacity to pay the price, the occupancy costs (including mortgage repayment, or the rent) - is a most important factor in the housing market.

The potential demand for housing can be appreciated even more with increasing incomes. Rising incomes also mean growing middle and upper classes group of people with new and higher expectation in the standard of living. In this context condominium living may become more appealing and affordable (Refer Table 7). 93.2 per cent of the up-market condominium occupiers have their income above RM8,000 per month.

Malaysia's strong economic performance, has increased the employment rate and unemployment rate has been decreasing. This means that real per capita income of the people has been increasing due to the rapid and sustained growth of the Malaysian economy. Gross Domestic Product (GDP) has been expanded by an average of 8.8 per cent per annum since 1988. This rapid growth was attained within an environment of greater price stability i.e. with the increase in Consumer Price Index (CPI) being contained at 3.8 per cent. In addition, the nation's per capita income further increased to reach RM 8,856 in 1994 (Refer Table 7).

Table 7: Per Capita GDP And Mean Monthly Household Income.

State	Real Per Capita Income			Mean Household	Monthly Income
	1985	1990	1995f	1985	1990
Malaysia	3,599	4,392	5,607	1,098	1,254
K. L.	6,768	7,608	9,495	1,920	2,102

Source: Sixth Malaysia Plan (1991).

A recent survey by the National Population and Family Development Board shows that about 42.2 per cent in 1980 of women joining labour force participation has increased to 46.1 percent in 1993. This indirectly shows that most of the families have both husband and wife working. This shows that there is an increasing number of double income families due to more women entering various sectors of the economy (Economic Report, 1994/95). 71.4 per cent of the spouse in the up-market condominiums are working.

e. Mortgage finance: mortgage finance is essential in converting potential demand for housing into actual demand. Therefore the availability of mortgage money at affordable interest rates and acceptable terms is always an important factor in both demand and supply.

Most people bought their houses with the availability of loan. Loans from financial institutions were easy and banks give up to 90 per cent loans. The repayment duration was usually for 10, 15, 20 or 25 years at prevailing interest rates. Base lending rates are low in Malaysia and more people can afford to buy houses (Refer Table 8). This means demand for condominiums has increases. Base lending rates in Malaysia has been quite low if compared to United States of America which is around 12 - 15 per cent.

Table 8: Base Lending Rates.

Year	BLR	Year	BLR
1980	9.5	1989	7.0
1981	12.0	1990	7.5
1982	8.5	1991	8.8
1983	10.8	1992	9.5
1984	12.3	1993	9.0
1985	10.8	1994	8.7
1986	10.0	1995f	8.3
1987	9.5	1996f	8.0
1988	7.0		

Source: Bank Negara (various reports).

92.8 per cent of the up-market condominiums buyers said that financing do influence the demand for the condominiums and 86.6 per cent prefer low interest rates that is below 4 per cent annually and 84.4 per cent said that they bought the condominiums was for investment purposes.

Beside financing, other factors such as marketing and the developer's reputation do influence the demand for up-market condominiums. 16.3 per cent said that marketing and 9.9 per cent said that developer's reputation do influence the demand for condominium. From marketing aspect, 59.2 per cent said that they bought the up-market condominiums after they have seen the brochures/pamphlet and 37.8 per cent said that due to the advertisement.

f. Other aspects of demand for condominium: demand for condominium is restricted to fairly narrow location limits; also, there is a local real estate market in each urban area which is affected by influences peculiar to that area. Beside these factors, different buyers look for different kinds of condominiums in keeping with their families' social and financial status as well as the kind of living they seek. This kind of demand is conditioned by the qualitative aspects such as the following:

- * accommodation: number of bedrooms, living rooms, bathrooms, storage etc.
- * quality of locality: superior, average or low cost.
- * construction: good quality finishes and facilities.
- * tenancy or ownership.
- * small or large section: build up area.

Price is very important because it can either increase or decrease demand for condominiums. 70.4 per cent said that price do influence the demand for condominiums. If demand for condominium is to grow and expand, it must become a viable alternative to the traditional form of houses such as terrace, semi-detached and detached houses, as well as being affordable. 45.8 per cent prefer price below RM300,000 which is equivalent to the built-up area of traditional form of houses (semi-detached or double storey terrace), 47 per cent prefer price between RM300,000 - RM400,000, and 7.2 per cent prefer price above RM400,000 (Refer Table 9). Affordability is dependent on the size of household income, cost and availability of finance, repayment period and the availability of past saving and Employee Provident Fund withdrawal.

Table 9: Condominium Price Preferable.

Category	Percentage
RM 300,000 and below per unit	45.8
RM 300 - RM 400,000 per unit	47
RM 400,000 and above	7.2
Total	100

Source: Own Analysis.

78.8 per cent said that the reasons why they bought the up-market condominiums was due to the quality of the product. High prices reflect that the product has a high quality and good furnishings. 2.3 per cent was due to the variety, 11.8 per cent was due to the uniqueness, and 7.3 per cent was due to attractiveness of the condominium developments.

Service charges do influence the demand for the condominiums. Service charge have to be paid by the tenants to the management board of the condominiums to maintain and manage the condominiums. Service charge was included in the management aspect. 75.6 per cent of the surveyed tenants said that service charges were taken into consideration before they bought the condominium.

84.4 per cent of the purchasers said that the main reason why they bought a condominium was for investment purposes. 74.4 percent rented out the condominium whilst 25.6 per cent for own occupiers. 22.5 per cent said that they will sell the condominium if the price was higher than the price they bought.

The demand for up-market condominium has been very slow, that is, whereby those above RM300,000 per unit encounter some difficulties in sales and rentals. Sometimes it takes years for a unit of up-market condominium to be sold out and some of it has been retained by the developers. At present up-market condominiums comprises of 28 per cent of the total condominiums. The percentage sales for this class of condominiums is 17.9 per cent (less than a year); 5 per cent (1 - 2 years); 46.2 per cent (2 - 3 years); 22.5 per cent (3 - 4 years); 8.4 per cent (more than 5 years).

90.5 per cent said that location is the most important factor before someone starts to purchase condominium. The demand for condominiums situated in a good location are highly demanded. Table 10 shows the location which are highly preferable.

Table 10: Preferred Location.

Location	Percentage
Ampang	33.6
Bangsar	22.9
City Centre	9.2
Damansara	27.5
Jalan Ulu Klang	1.5
Jalan Tun Razak	1.1
Cheras	3.4
Others	0.8
Total	100.0

Source: Own Analysis.

As can be seen from the table above, the projects that are situated near the town centre and in primary areas such as Damansara, Bangsar, Ampang area highly demanded compared to the secondary areas such as Cheras, Jalan Tun Razak, Jalan Ulu Klang and other areas.

The figure above tally with the purchasers preferred location that is near the city centre and also near the primary areas due to the working place. The main reasons why purchasers prefer good location to buy condominiums are due to near the city centre and working place (Refer Table 11).

Table 11: Reasons For Preferred Location.

Location	Rank	Percentage
Near City Centre	1	56.1
Near Working Place	2	46.9
Near Recreational Centre	3	43.9
Near Shopping Complexes	4	42.7
Near Amenities Centre	5	31.7

Source: Own Analysis.

Besides good location, it also relates to whether this location is near the prestige area and have a better environment. 95.4 per cent said that before they buy a unit of condominiums, they also consider whether it is located near the prestige area and have a better environment. Out of 262 respondents, 41.2 per cent prefer their location because it is near the prestige area with high income neighbour, 40.5 per cent prefer to be near the facilities such as petrol kiosk, police station, fire brigade, and 18.3 per cent prefer no heavy traffic.

A survey on 262 condominium buyers revealed that the 3 - bedroom units and 3 + 1 are most popular among the type of bedroom units launched and are highly demanded (Refer Table 12).

Table 12: Number Of Bedrooms Demanded.

No. Of Bedrooms	Rank	Percentage
2	-	-
2 + 1	3	7.3
3	1	60.7
3 + 1	2	32.1

Source: Own Analysis.

Out of 262 respondents, 66.4 per cent prefer the condominium development to have penthouse whilst 33.6 per cent do not want the penthouse to exist in the condominium project. Most of the buyers prefer the condominium project to have penthouse because it will differentiate between condominium and apartment. Apartments and flats in Malaysia do not have penthouse on the top of the blocks.

3-bedroom units are highly demanded and in terms of size, the most preferred built-up area is in the range of 1,200 to 1,400 sq. ft. (Refer Table 13). This figure tally with the technical guidelines issued by the Planning Department, City Hall of Kuala Lumpur which states that for 3-bedrooms, the size must be above 1,000 sq. ft.

Table 13: Preferred Built-Up Area.

Built-Up Area	Percentage
800 - 1,000 sq. ft.	0.4
1,001 - 1,200 sq. ft.	3.8
1,201 - 1,400 sq. ft.	52.7
1,401 - 1,600 sq. ft.	37.0
1,601 and above sq. ft.	6.1
Total	100

Source: Own Analysis.

Most of the purchasers prefer built-up area between 1,201 - 1,400 square feet and out of these, 41.2 per cent prefer their living area between 141 - 160 square feet, 39.3 per cent prefer 121 - 140 square feet, 13.7 per cent prefer above 161 square feet, and 5.7 per cent prefer 101 - 120 square feet.

Tenancy also plays an important role in influencing the demand for up-market condominium. 90.8 per cent said that tenancies do influence the demand for condominium and 91.2 per cent prefer condominiums to have freehold strata title and not just depend on the sell and purchase agreement.

View and professional landscape also influence the demand for condominiums. 91.6 per cent said that the reason why they bought the condominium was due to the professional landscape and also a good view. 53.8 per cent prefer greenery scenery, 23.3 per cent prefer city scenery, and 22.9 per cent prefer swimming pool scenery. For their unit that they bought, 67.9 per cent prefer their unit facing morning sun, 17.6 per cent prefer facing evening sun, and 14.5 per cent prefer facing no sun shine.

g. Fashion is a consideration: this is influenced by ethnic origins, personal priorities and general economic considerations. Why do people like to live in a low rise or high rise condominiums? Since most both spouses are working, it leaves less time for property maintenance. This leads to preference to live in a condominium where there exist property management board.

76.3 per cent condominium occupiers are normally of small household size that is with one child and 95.4 per cent said that their preference for condominium living is because of the improved urban environment, 79.9 per cent was due to the ready availability of recreational and other facilities in the condominium development, 86.6 per cent said that the security aspect and sometimes easy access to their work places. The present scarcity of traditional domestic servants too has contributed to this change in lifestyle.

Out of 262 respondents, 79.9 per cent said that the reason they bought the condominium was because of the facilities being provided and also 24 hours security. This means that facilities provided in the condominium do influence the demand for it.

Each condominium developments have the recreational and amenities facilities. These were the main differences between condominiums, apartments and flats. Rank 1 shows that the factor was the main reason why they bought the condominium and 9 was the least important factor influencing demand. Table 14 shows which recreational facilities was highly demanded whilst Table 15 shows the amenities facilities highly demanded.

Table 14: Preferred Recreational Facilities.

Recreational Facilities	Rank
Parking Space	1
Swimming Pool	2
Function Hall	3
Tennis/Badminton Courts	4
Gymnasium	5
Sauna	6
Children Playground	7
Jogging Track	8
Gazebo	9

Source: Own Analysis.

Table 15: Amenities Facilities Demanded.

Amenities Facilities	Rank
24 Hours Guard/Surveillance	1
Automatic Sprinkler	2
Nursery	3
Free Club Membership	4
High Speed Modern Lifts	5
Mini Markets	6
Cafeteria	7
Laundrette	8
BBQ Area	9

Source: Own Analysis.

Besides the factors mentioned above, other factors that also influence the demand for up-market condominiums are the physical aspects of the condominium such as the density, height, and floor layout area. 93.1 per cent said that density does influence the demand for condominium and 41.6 per cent prefer low density, 55.3 per cent prefer medium density, and 3.1 per cent prefer high density.

Surrounding development also influence the demand for up-market condominiums. 73.7 per cent prefer medium density surrounding development (60 - 100 persons per acre), 25.2 per cent prefer low density surrounding development (10 - 40 persons per acre), and 1.1 per cent prefer high density surrounding development (400 persons per acre).

Height also do influence the demand for condominium. 82.7 per cent said that height do influence the demand for condominium. Height usually relates with either high rise or low rise building. 28.6 per cent prefer low rise building (below 4 storey), 29.7 per cent prefer medium rise building (5th floor - 12th floor), and 41.6 per cent prefer high rise building (13th floor and above).

19.6 per cent said that floor layout do influence the demand for condominium. 5.0 per cent prefer more storage space, cupboards, and closets; 53.8 per cent prefer separate or more formal dining room; 11.5 per cent prefer to have balcony; 1.1 per cent prefer to have larger kitchen; 28.6 per cent prefer to have larger bedrooms.

7.0 Demand And Socio-Economic Aspects Relationship

Demand and socio-economic aspects of the condominium dwellers have a very strong relationship because due to this factor the demand can change and it is also a large determinant in the type and quality of the residential units (Hutcheson, John M., 1995; p. 3).

Demand can also relate to the needs of the occupants and these needs are a function of two key factors that are stage in life cycle and lifestyle. Lifestyle is actually the outcome of a whole series of factors including culture, socio-economic status and the character of the family (Soen, Dan, 1979; p. 88).

Increase in socio-economic status of the condominium dwellers can also change the demand pattern. Due to this improvement in socio-economic status, it is removing the cost constraints bear by the condominium dwellers. This means there will be an increased in demand (Teo Siew Eng, 1976).

Socio-economic data is very important to the developers before they can proceed with the condominium development. The general socio-economic data will gives a better profile and also to the specific problem of projecting housing demand for the market area. This indirectly relate to demand (McMahan, John, 1989; p. 136 - 143).

Socio-economic aspects are also different for an ethnic group. Due to this, demand patterns are also different and this is very important to the developers to know the specific target group. Ethnic categories are based on perceived cultural differences. As defined by Bassis:

"An ethnic group is a category of people who see themselves and are seen by others as different because of their ancestry and cultural heritage" (p. 298).

Ethnic groups are based on "consciousness of kind", that is, on the assumption that people are likely to have similar inner experiences and emotional reactions. Members of ethnic groups are united by feelings of social closeness and by concern with preserving their kind (Shiutini and Kwan, 1965; p. 40 -42). Usually, they come from the same part of the world, speak the same language or dialect, practise the same religion, enjoy the same foods. Their common ancestry may be real or imagined; cultural differences between them and other groups may be large or small but what matters is that they and others consider these differences meaningful (Bassis, 1980; p. 298).

Therefore, it is very important to study the socio-economic aspects of the ethnic group of condominium dwellers because demand pattern can be changed due to this factor.

8.0 The Socio-Economic Characteristics Of The Condominium Dwellers

This section will discuss the socio-economic and cultural characteristics of the condominium dwellers, based on the survey data undertaken specifically for this study. Wherever appropriate, comparisons between the ethnic groups will be made, so as to identify any differences in the characteristics of the ethnic groups occupying up-market condominiums.

There will be five parts to study the socio-economic characteristics of the up-market condominium dwellers in Kuala Lumpur.

1. Demographic Characteristics

(i) Distribution By Area.

The up-market condominium dwellers in Kuala Lumpur are mainly Chinese (32.1%), Malaysia (24.8%), Indians (12.6%), Singaporean (12.6%), Japanese (6.1%), Taiwanese (4.2%), European (3.4%), Thailand (1.1%), Brunei (0.8%), and others (1.9%). They bought condominium located in a good location such as Bangsar (24.0%), Damansara (23.7%), Ampang (20.2%), Jalan Klang Lama (13.4%), Bukit Pantai (8.0%), Jalan Tun Razak (3.8%), and others (6.9%). This shows that developers build up-market condominium near the city centre because they will be demanded by the high income group and also the expatriates which prefer staying near the city centre.

(ii) Floor Of Occupancy.

Generally, the majority of the tenants occupy the eleventh floor and above (41.7%). This concentration was due to the influence of the high rise building where 67.6% are high rise whilst 16.4% are medium rise (5th - 10th floor), and 16% are low rise (1st - 4th floor). Besides the factor, most of the tenants prefer privacy and view. 53.8% prefer green scenery view, 23.3% prefer city view, and 22.9% prefer swimming pool view.

(iii) Distribution By Condominium Type.

From the survey, it was observed that the proportion of Malays living in high-rise flats was highest (59.2%) compared with the Chinese, Indians, and others (40.7%, 32.8%, and 10.0% respectively), and the reverse proportion was observed for low rise condominium. This is due to the developers concentrated on building high rise blocks recently, hence increasing the number of Malay families living in high rise condominiums.

(iv) Distribution By Age Of Building.

The majority of the condominiums (69.1%) occupied by the residents were quite recent (less than two years). This is followed by condominiums that were being occupied for about five to six years (12.2%), seven to eight years (8.8%), nine to ten years (6.1%), and three to four years (3.8%). The main reason why condominium in the range of three to four years are not many been built because at that time Malaysia was just in the stage of recovery from recession. During recession period, most of the developers did not built up market condominium because they are afraid that there will be no demand which means there are no buyers.

(v) Distribution By Number Of Bedrooms.

The majority of the households interviewed (60.7%) were occupying the three bedroom units, followed by the four bedroom units (32.1%), and two bedroom units (7.3%). The three bedroom units are highly demanded because most of the households are make up of three people or a couple with one children (49.6%), followed up with four people (22.1%), two people (17.2%), one people (9.5%), and five people (1.5%).

2. Social Characteristics

(i) Age Of Respondents.

About three quarter of the respondents interviewed (86.2%) were from 36 to 55 years old. This is followed by the 15 to 35 years age group (13.8%), and above 56 years age group (1.9%), indicating that the majority of the heads of households and spouses are within the actively working age group. This also implies that the majority of the households are within the young and growing stages of the life cycle.

When comparing between the ethnic groups, the data indicated that there is a higher proportion of the older age group (above 56 years) among the Chinese (34.5%), and the Indians (20.8%), compared with the Malays (2%). This means the Malay households tends to constitute younger family members.

(ii) Marital Status.

The majority of those interviewed were married (90.5%), with only 0.4% divorced or widowed, 0.8% separation, and 8.4% comprising single persons. Households comprising singles was highest among the Chinese (9.0%), and lowest among the Malays (0.9%). The number of heads of households who were widowed or divorced was also highest among the Chinese (15.2%) compared with the Indians (6.2%) and Malays (3.2%).

(iii) Religion.

About half of those interviewed (47.3%) were Buddhists, followed by Muslims (24.4%), Hindus (14.9%), Taoists (0.4%), and Christian (0.4%). All the Malays were Muslims. The most popular religion among the Chinese was Buddhism (64.5%), followed by Taoism (26.4%), and Christianity (9.1%). Among the Indians however, the majority (82.1%) were Hindus, followed by Christians (13.4%) and Islam (4.5%).

(iv) Education.

Generally, those interviewed had a high level of education. About 86.2% of them had an university education, 13.0% had college education, and others (0.8%) without any formal education.

A comparison between the ethnic groups showed that the majority of the Malays (100%) had university education followed with the Chinese and Indians (80.4% and 92.2% respectively).

3. Household Structure.

(i) Number Of Occupants Per Dwelling Unit.

The majority of the dwelling units (49.6%) were occupied by three persons per unit. This is followed by households having four persons (22.1%), two persons (17.2%), one person (9.5%), and five persons (1.5%). On the average, there were 2.91 persons living in each unit.

(ii) Families With Relatives Staying.

All of the households (100%) had no relatives living with them. Most of the tenants are highly educated people and they prefer privacy. Besides the factor, in a condominium project, there are facilities such as nursery and management where the tenants can send their children to the nursery and the management take care of all the house work. In this way the tenants do not need any help from outside especially from their relatives to look after their unit.

(iii) Families With Friends Staying.

There are no friend staying the any of the family except the bachelors which were only 1.2% of them had friends living with them.

(iv) Families With Teenage Daughters And Sons.

The survey also identified families with teenage daughters and sons, as this has certain influence on the housing demand of the households. There are only 22.8% of the respondents had teenage daughters and sons living with them.

The Chinese families showed the highest rate in terms of families with teenage daughters and sons (83.6%), followed by the Indians and Malays respectively(58.3% and 32.6%). This relates to the stage in the life cycle of the ethnic groups concerned, whereby the Malay families constitute the younger age group compared with the other ethnic groups.

4. Residential History.

(i) Origin.

The majority of those interviewed originated from towns (59.9%), followed by those from the rural areas (23.7%), and city (16.4%). While the majority of the Malays (42.4%) were migrants from the rural areas, the majority of the Chinese and Indians were from towns and cities (84.6% and 76.4% respectively). This implies that while urban living is a recent phenomenon to most of the Malay households.

(ii) The Year Of Arrival In Kuala Lumpur.

A further analysis on the migration aspect shows that 90.9% of those interviewed arrived in Kuala Lumpur between 1988 until now, that is after the recessionary period (1984 - 1987). Only 8.0% arrived in Kuala Lumpur during the recessionary period. This shows that the demand for housing has declined and this is true because during this period, most of the developers do not build any condominium projects.

(iii) Duration In Present Residence.

The majority of the households (50.3%) had been living in their present residence between one to five years, followed by those who had been living for six to ten years (46.4%) and more than eleven years (3.3%) respectively.

Among those who had been staying in their condominium for more than eleven years, only 3.4% were Malays compared to 84.8% Chinese and 11.8% Indians. This indicates that condominium living is most recent among the Malays compared with the other ethnic groups.

(iv) Housetype Of Last Residence.

The majority of those interviewed (32.4%) indicated the apartment as the type of their last residence. This is followed by those who live in semi-detached (30.9%), bungalow houses (14.1%), condominium (13.7%), terrace (8.0%), and others (0.8%). This shows that most of the tenants are affordable to buy high-cost houses. If they decide to buy another house, 64.5% said that they will buy condominiums with the price in the range of RM250,000 to RM350,000 (75.2%).

5. Economic Characteristics.

(i) Occupation.

Excluding the wives and the pensioners, the data indicated that the majority of the heads of households involved in businesses (40.1%). This is followed by those in professional (37.4%), management, administration, academician (15.7%), while the other occupations were insignificant. The majority of them therefore, can be considered as in the high-income category. A comparative analysis based on ethnicity indicates that the majority of the Chinese (88.9%) as businessmen, the majority of the Malays (66.4%) worked as professionals, while the majority of the Indians (45.8%) as administrators and managers.

(ii) Family Income.

The majority of the condominium dwellers (38.1%) had a family income of between RM8,000 to RM12,500 per month, (32.4%) between the range of RM 12,500 to RM 16,500 per month, (13.3%) between the range of RM16,500 to RM 21,000 per month. However, there were also those whose family income can be considered as low (16.0%) who should not be staying in up-market condominiums.

The majority of the Chinese tend to fall within the higher income bracket compared with the other ethnic groups. There were about 88.6% of the Chinese households that had an income of between RM 18,000 and above per month, compared with 72.4% among the Indians and 62.8% for the Malays. Income above RM 21,000 per month was found to be dominated by the Chinese (100%). The average incomes of the ethnic groups were RM 18,000 per month for the Chinese, RM 10,500 per month for the Indians, and RM 9,000 per month for the Malays.

It should be noted that compared with the other ethnic groups, there is always the tendency for the Chinese households to quote a lower figure. This is done probably to avoid having to pay higher income taxes, or secondly, since most of them are self-employed or in business, it is more difficult for them to quote the exact amount of monthly income.

9.0 **Ethnicity And Housing Characteristics.**

Frequency technique have been used in analysing the data. From the results there were significant relationships between ethnicity and the physical characteristics of the housing units, particularly in terms of the floor of occupancy and condominium type.

Ethnic differences however, were also observed in the social characteristics of the respondents, particularly in terms of the age, marital status, religion, and education levels of the ethnic groups. The household structure of the ethnic groups was the same, whereby all the tenants do not want to accommodate other non-family members to stay with them due to privacy and also modern lifestyle where all the things they need are near them. All the recreational and amenities facilities can be found in the condominium development. Due to this factor that there is a demand for the condominium.

Ethnic differences were also observed in terms of the residential history of the groups. They differed in terms of the place of origin, hence it is not surprising that they also differed in terms of the housetype of their last residence.

They also differed in terms of the year they arrived in Kuala Lumpur, hence influencing the demand for condominiums. Most of the Chinese and Indians had been in Kuala Lumpur longer than the majority of the Malays, and they were also found to be the longer group in terms of staying in their present residence.

Finally, it was also observed that the ethnic groups differed in terms of their economic backgrounds, particularly occupation and income levels. The income levels of the ethnic groups also differed, with the majority of the Chinese occupying the higher income category, followed by the Indians and Malays almost in a similar income bracket.

10.0 Conclusion

The factors mentioned above are the important factors that do influence the demand for condominiums in Kuala Lumpur. Factors such as rate of inflation, consumer price index and the rate of gross domestic product have not been surveyed because these factors have been reflected in the price of the condominium itself.

From the above discussion, it can be concluded the the main factors that influence the demand for up-market condominiums can be categorised into eleven main category (Refer Table 16). Rank 1 shows that it is the most important and vital factor in influencing demand for up-market condominiums and Rank 11 is the least important factor.

Table 16: Main Category Factors That Influence Demand.

Main Category Factor	Ranking
Location Of Development	1
Prestige Area And Better Environment	2
Investment	3
Management / Maintenance	4
Recreational. Facilities / Professional Landscape	5
Price	6
Characteristics Of The Building	7
Financing	8
View	9
Marketing	10
Good Reputation Of The Developer	11

Source: Own Analysis.

Up-market condominium will be highly demanded by the high income group especially the Chinese because they have higher income and also they have more exposure because majorith of them lived in a city.

Price must also be reasonable and reflect the quality of the condominium unit beside the location. If the location is very good, there will be more demand for it. People will not be reluctant to buy condominium if their taste of buying condominiums can be fulfilled because they are buying lifestyle.

So, demand for condominiums will always be there because people are already accepting the concept of living in a condominium and also as their lifestyle due to the shortage of land in Kuala Lumpur. Before developers proceed with the condominium projects, they must know what are the most important factors that will attract people to buy the condominiums especially the up market condominiums (RM300,000) because factors influencing demand for up market condominiums will be different from the overall market of condominiums. Nowadays, people are talking about whether there is glut in the supply of the condominiums and so it is very important to know the main factors that influence the demand just to make sure that the projects being carried out by the developers will not be abandoned due to lack of demand.

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